



House of Commons

Tuesday 11 December 2018

PUBLIC BILL COMMITTEE PROCEEDINGS

FINANCE (No. 3) BILL

(Except clauses 5, 6, 8 9 and 10; Clause 15 and Schedule 3; Clause 16 and Schedule 4; Clause 19; Clause 20; Clause 22 and Schedule 7; Clause 23 and Schedule 8; Clause 38 and Schedule 15; Clauses 39 and 40; Clauses 41 and 42; Clauses 46 and 47; Clauses 61 and 62 and Schedule 18; Clauses 68 to 78; Clause 83; Clause 89; Clause 90; any new Clauses or new Schedules relating to tax thresholds or reliefs, the subject matter of any of clauses 68 to 78, 89 and 90, gaming duty or remote gaming duty, or tax avoidance or evasion)

[NINTH SITTING]

GLOSSARY

This document shows the fate of each clause, schedule, amendment and new clause.

The following terms are used:

Agreed to: agreed without a vote.

Agreed to on division: agreed following a vote.

Negatived: rejected without a vote.

Negatived on division: rejected following a vote.

Not called: debated in a group of amendments, but not put to a decision.

Not moved: not debated or put to a decision.

Question proposed: debate underway but not concluded.

Withdrawn after debate: moved and debated but then withdrawn, so not put to a decision.

Not selected: not chosen for debate by the Chair.

Kirsty Blackman
Mhairi Black

Clause 79, page 53, line 26, leave out from “tax” to end of line 28

Withdrawn after debate 105

Finance (No. 3) Bill, *continued*

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Negatived on division 139

Clause 79, page 53, line 28, at end insert—

“(7A) But an assessment under subsection (2) may not be sought by the Commissioners unless they are satisfied that the liability to tax is in excess of £50.”

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Not called 140

Clause 79, page 53, line 42, at end insert—

“36B Public register of persons affected by change made by section 36A(2)

It shall be the duty of the Commissioners to publish a register of persons liable to tax by virtue of the provisions of section 36A(2).”

Kirsty Blackman
Mhairi Black

Not called 106

Clause 79, page 54, line 1, leave out “2013-14” and insert “2019-20”

Kirsty Blackman
Mhairi Black

Not called 107

Clause 79, page 54, line 5, leave out “2015-16” and insert “2019-20”

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Not called 141

Clause 79, page 54, line 6, at end insert—

“(6) The Chancellor of the Exchequer must review the characteristics of persons affected by the changes made by this section to TMA 1970 and lay a report of that review before the House of Commons within six months of the passing of this Act.

(7) A review under subsection (6) must in particular consider those persons in relation to their—

- (a) age,
- (b) income,
- (c) legal status, and
- (d) primary language.”

Finance (No. 3) Bill, *continued*

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Negated on division 142

Clause 79, page 54, line 6, at end insert—

- “(6) The Chancellor of the Exchequer must, in respect of each tax year from 2013-14 onwards, review the revenue effects of the changes made by this section to TMA 1970 and lay a report of that review before the House of Commons within six months of the passing of this Act.”

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Not called 143

Clause 79, page 54, line 6, at end insert—

- “(6) The Chancellor of the Exchequer must review the effects of the changes made by this section to TMA 1970 on incentives on persons to comply with requirements imposed by the Commissioners, whether under TMA 1970 or otherwise, and lay a report of that review before the House of Commons within six months of the passing of this Act.”

Clause agreed to.

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Not called 144

Clause 80, page 55, line 19, at end insert—

- “(6) The Chancellor of the Exchequer must review the characteristics of persons affected by the changes made by this section and lay a report of that review before the House of Commons within six months of the passing of this Act.
- (7) A review under subsection (6) must in particular consider those persons in relation to their—
- (a) age,
 - (b) income,
 - (c) legal status, and
 - (d) primary language.”

Finance (No. 3) Bill, *continued*

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Not called 145

Clause 80, page 55, line 19, at end insert—

“(6) The Chancellor of the Exchequer must review the revenue effects of the changes made by this section and lay a report of that review before the House of Commons within six months of the passing of this Act.”

Clause agreed to.

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Withdrawn after debate 146

Clause 81, page 55, line 39, at end insert—

“(3A) No regulations may be made under this section unless the Commissioners have issued guidance on the conditions necessary for an officer of Revenue and Customs to be satisfied that the requirement for security is necessary for the protection of the revenue (for the purposes of the provisions of regulations made in accordance with the duty in subsection (2)).”

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Not called 147

Clause 81, page 56, line 25, at end insert—

“(3A) No regulations may be made under this paragraph unless the Commissioners have issued guidance on the conditions necessary for an officer of Revenue and Customs to be satisfied that the requirement for security is necessary for the protection of the revenue (for the purposes of the provisions of regulations made in accordance with the duty in sub-paragraph (2)).”

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Not called 148

Clause 81, page 56, line 44, at end insert—

Finance (No. 3) Bill, *continued*

- “(4) The Chancellor of the Exchequer must review the effects of the changes made by this section on the construction industry and lay a report of that review before the House of Commons within six months of the passing of this Act.”

Clause agreed to.

Kirsty Blackman
Mhairi Black

Clause 82, page 58, line 9, leave out from “section” to “may” in line 10 *Negated on division* 137

Kirsty Blackman
Mhairi Black

Clause 82, page 58, leave out lines 13 to 17 *Not called* 138

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Clause 82, page 59, line 15, at end insert— *Not called* 149

“128D Review of effects of EU withdrawal

- (1) The Chancellor of the Exchequer must review the expected effect on the exercise of the power to make regulations under section 128A in the event that—
 - (a) the UK leaves the European Union without a negotiated withdrawal agreement,
 - (b) the UK leaves the European Union following a negotiated withdrawal agreement.
- (2) The Chancellor of the Exchequer must lay a report of the review under subsection (1) before the House of Commons within two months of the passing of the Finance Act 2019.”

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Clause 82, page 59, line 15, at end insert— *Not called* 150

“128D Review of revenue effects of section 128A regulations

On each occasion the Treasury exercises the power to make regulations under section 128A, the regulations (or, as the case may be, the draft regulations) must be accompanied by a statement by the Chancellor of the Exchequer of the expected revenue effects of the regulations.”

Finance (No. 3) Bill, *continued*

Clause agreed to.

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Withdrawn after debate **151**

Clause **84**, page **62**, line **5**, at end insert—

- “(11) The Chancellor of the Exchequer must review the effectiveness of the remedy introduced by this section, together with section 85, and lay a report of that review before the House of Commons within one year of the passing of this Act.”

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Not called **152**

Clause **84**, page **62**, line **5**, at end insert—

- “(11) The Chancellor of the Exchequer must review the expected effect of the remedy introduced by this section, together with section 85 on corporation tax receipts and lay a report of that review before the House of Commons within one year of the passing of this Act.”

Clause agreed to.

Clause 85 agreed to.

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Negatived on division **153**

Clause **86**, page **64**, line **45**, at end insert—

- “(9) The Chancellor of the Exchequer must review the effectiveness of the changes made to the Taxes Management Act 1970 and the Finance Act 1998 by this section and lay a report of that review before the House of Commons within one year of the passing of this Act.”

Finance (No. 3) Bill, *continued*

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Negatived on division 154

Clause 86, page 64, line 45, at end insert—

- “(9) The Chancellor of the Exchequer must review the revenue effects of the changes made to the Taxes Management Act 1970 and the Finance Act 1998 by this section and lay a report of that review before the House of Commons within six months of the passing of this Act.”

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Negatived on division 155

Clause 86, page 64, line 45, at end insert—

- “(9) The Chancellor of the Exchequer must review the resources that Her Majesty’s Revenue and Customs needs to implement the measures in this section relating to tax returns delivered otherwise than in pursuance of a requirement to do so and lay a report of that review before the House of Commons within two months of the passing of this Act.”

Clause agreed to.

Clauses 87 and 88 agreed to.

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Negatived on division 156

Schedule 19, page 315, line 15, at end insert —

“PART 4

STATEMENT ON CONSULTATION

- “22 The Chancellor of the Exchequer must lay before the House of Commons a statement on the consultation undertaken on the provisions of this Schedule no later than two months after the passing of this Act.”

Finance (No. 3) Bill, *continued*

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Not selected 157

Schedule 19, page 315, line 15, at end insert —

“PART 4

REVIEW OF INFORMATION TECHNOLOGY EXPENDITURE

“22 The Chancellor of the Exchequer must review the total expenditure on information technology by Revenue and Customs in order to implement the provisions introduced by this Schedule and lay a report of that review before the House of Commons with twelve months of the passing of this Act.”

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Negatived on division 158

Schedule 19, page 315, line 15, at end insert —

“PART 4

REVIEW OF REVENUE EFFECTS

“22 The Chancellor of the Exchequer must review the revenue effects of the provisions introduced by this Schedule and lay a report of that review before the House of Commons with twelve months of the passing of this Act.”

Schedule agreed to.

Clauses 91 and 92 agreed to.

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Not selected NC1

To move the following Clause—

“Effect of withdrawal from the European Union on income tax collection

The Chancellor of the Exchequer must, within one month of the passing of this Act, lay before the House of Commons an analysis of the effect on the level of income tax collected in the event of—

Finance (No. 3) Bill, *continued*

- (a) the United Kingdom withdrawing from the United Kingdom without a negotiated settlement, and
- (b) the United Kingdom withdrawing from the United Kingdom with the negotiated settlement that is preferred by Her Majesty's Government."

Kirsty Blackman
Mhairi Black

Negated on division NC2

To move the following Clause—

“Review of changes to capital allowances

- (1) The Chancellor of the Exchequer must review the effect of the changes to capital allowances in sections 29 to 34 and Schedule 12 in each part of the United Kingdom and each region of England and lay a report of that review before the House of Commons within six months of the passing of this Act.
- (2) A review under this section must consider the effects of the changes on—
 - (a) business investment,
 - (b) employment, and
 - (c) productivity.
- (3) The review must also estimate the effects on the changes if—
 - (a) the UK leaves the European Union without a negotiated withdrawal agreement
 - (b) the UK leaves the European Union following a negotiated withdrawal agreement, and remains in the single market and customs union, or
 - (c) the UK leaves the European Union following a negotiated withdrawal agreement, and does not remain in the single market and customs union.
- (4) In this section—
 - “parts of the United Kingdom” means—
 - (a) England,
 - (b) Scotland,
 - (c) Wales, and
 - (d) Northern Ireland;
 - “regions of England” has the same meaning as that used by the Office for National Statistics.”

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Negated on division NC4

To move the following Clause—

Finance (No. 3) Bill, *continued*
“Comparative review of the expected effects of Schedule 5

- (1) The Chancellor of the Exchequer must a review of the expected effects of the provisions of Schedule 5 on payments to the Commissioners, and lay a report of that review before the House of Commons within 6 months of the passing of the Act.
- (2) The review under subsection (1) must in particular consider—
 - (a) the expected change in corporation tax receipts attributable to those provisions, and
 - (b) the expected change in corporation tax receipts if—
 - (i) the provisions in Schedule 5 were not brought into force, and
 - (ii) the rate of corporation tax were to be changed to 26%.”

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Not called NC5

To move the following Clause—

“Aggregate effect of changes to corporation tax and capital allowances

The Chancellor of the Exchequer must, within one year of the passing of this Act, lay before the House of Commons an analysis of the effect of the changes to corporation tax and capital allowances made under sections 25 to 28 and 29 to 34 of this Act.”

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Not selected NC6

To move the following Clause—

“Changes to capital allowances since 2010

The Chancellor of the Exchequer must, within one month of the passing of this Act, lay before the House of Commons a statement setting out—

- (a) the changes that have been made to the Capital Allowances Act 2001 since 2010,
- (b) the consultations that were undertaken before each change, and

Finance (No. 3) Bill, *continued*

- (c) an analysis of the expected effect of the statement on investor confidence in the United Kingdom.”

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Not selected NC7

To move the following Clause—

“Review of capital allowance assets

The Chancellor of the Exchequer must, within one month of the passing of this Act, lay before the House of Commons a review of the changes to the number of categories of capital allowance assets for tax purposes since 2010, and the effect of the changes on the capital allowance system.”

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Not called NC8

To move the following Clause—

“Review of Schedule 16 provisions on voucher circulation and distribution

- (1) The Chancellor of the Exchequer must commission a review of the expected impact of the provisions of Schedule 16 on the circulation and distribution of vouchers in—
- (a) the United Kingdom, and
 - (b) the European Union.
- (2) A report of the review under subsection (1) must be laid before the House of Commons within 3 months of the passing of this Act.”

Finance (No. 3) Bill, *continued*

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Not called NC9

To move the following Clause—

“Review of potential divergence of VAT treatment of vouchers

- (1) The Chancellor of the Exchequer shall commission a review that will consider the potential public revenue, and other impacts, if domestic law regarding the VAT treatment of vouchers were to diverge from European Union law.
- (2) A report of the review under subsection (1) must be laid before the House of Commons within 3 months of the passing of this Act.”

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Not called NC10

To move the following Clause—

“Review of higher rate of tax for additional dwellings

- (1) The Chancellor of the Exchequer shall commission a review on the revenue effects of the amendments to FA 2003 made in section 43.
- (2) A report of the review under subsection (1) must be laid before the House of Commons before 29 October 2019.”

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Not called NC11

To move the following Clause—

“Annual statement on effects of provisions of section 43

- (1) The Chancellor of the Exchequer must make an annual statement to the House of Commons detailing how the provisions in section 43 have affected instances in which land transaction returns are amended to take account of subsequent disposal of the main residence.
- (2) The statement must specify—
 - (a) the number of such instances, and

Finance (No. 3) Bill, continued

- (b) such information as the Commissioners hold as to the characteristics (including income) of those concerned.
- (3) The first such statement under subsection (1) must be made before 29 October 2019, and each subsequent statement must be within twelve months of the previous statement.”

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Not called **NC12**

To move the following Clause—

“Review of higher rate of tax for additional dwellings

- (1) The Chancellor of the Exchequer shall commission a review on how the provisions of section 43 have affected residential property prices.
- (2) A report of the review under subsection (1) must be laid before the House of Commons before 29 October 2019.”

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Not called **NC13**

To move the following Clause—

“Equality impact analysis of provisions of section 45

- (1) The Chancellor of the Exchequer must review the equality impact of the provisions in section 45 in accordance with this section and lay a report of that review before the House of Commons within six months of the passing of this Act.
- (2) A review under this section must consider—
- (a) the impact of those provisions on households at different levels of income,
 - (b) the impact of those provisions on people with protected characteristics (within the meaning of the Equality Act 2010),
 - (c) the impact of those provisions on the Treasury’s compliance with the public sector equality duty under section 149 of the Equality Act 2010, and
 - (d) the impact of those provisions on equality in different relevant parts of the United Kingdom and different regions of England.
- (3) In this section—

Finance (No. 3) Bill, continued

“relevant parts of the United Kingdom” means—

- (a) England, and
- (b) Northern Ireland;

“regions of England” has the same meaning as that used by the Office for National Statistics.”

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Not selected **NC14**

To move the following Clause—

“Review of possible further remedies available in respect of payments of unlawful advance corporation tax

- (1) The Chancellor of the Exchequer shall undertake a review of the matter specified in subsection (2) and lay a report of that review before the House of Commons within six months of the passing of this Act.
- (2) That matter is the introduction of a measure comparable in effect to sections 84 and 85 of this Act in respect of payments of unlawful advance corporation tax in respect of periods subsequent to 12 December 2012.”

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Not called **NC15**

To move the following Clause—

“Review of late payment interest rates in respect of promoters of tax avoidance schemes

- “(1) The Chancellor of the Exchequer must review the viability of increasing any relevant interest rate charged by virtue of the specified provisions on the late payment of penalties for the promoters of tax avoidance schemes to 6.1% per annum and lay a report of that review before the House of Commons within six months of the passing of this Act.
- (2) In this section, “the specified provisions” means—
 - (a) section 178 of FA 1989, and
 - (b) sections 101 to 103 of FA 2009.”

Finance (No. 3) Bill, continued

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Negated on division NC16

To move the following Clause—

“Review of late payment interest rates in respect of promoters of tax avoidance schemes (No. 2)

- “(1) The Chancellor of the Exchequer must review the appropriateness of any relevant interest rate charged by virtue of the specified provisions on the late payment of penalties for the promoters of tax avoidance schemes and lay a report of that review before the House of Commons within six months of the passing of this Act.
- (2) In this section, “the specified provisions” means—
- (a) section 178 of FA 1989, and
 - (b) sections 101 to 103 of FA 2009.”

John McDonnell
Peter Dowd
Anneliese Dodds
Jonathan Reynolds
Clive Lewis
Jeff Smith

Negated on division NC17

To move the following Clause—

“Review of interest rate equalisation

- “(1) The Chancellor of the Exchequer must review the viability of equalising any relevant interest rate charged by virtue of the specified provisions for the specified purposes and lay a report of that review before the House of Commons within six months of the passing of this Act.
- (2) In this section—
- “the specified provisions” means section 101 of FA 2009,
 - “the specified purposes” means the charging of interest for—
- (a) late payment, and
 - (b) repayment.”.

Bill, as amended, to be reported.